

## FOOD PRODUCTION PROGRAM

*Exchange of notes at Lima December 4, 1946, and January 29, 1947, supplementing and extending agreement of May 19 and 20, 1943, as supplemented and extended, with memorandum of agreement of December 4, 1946, between the Institute of Inter-American Affairs and the Minister of Agriculture*  
*Entered into force January 29, 1947; operative from January 1, 1947*  
*Program expired June 30, 1960*

61 Stat. 3326; Treaties and Other  
International Acts Series 1669

*The American Ambassador to the Minister of Foreign Affairs*

EMBASSY OF THE  
UNITED STATES OF AMERICA

*Lima, December 4, 1946*

No. 278

### EXCELLENCY:

I have the honor to refer to this Embassy's note No. 812 of June 11, 1945<sup>1</sup> transmitting the English and Spanish texts of the Memorandum of Agreement signed on June 8, 1945<sup>1</sup> by William C. Brister and by His Excellency Godofredo Labarthe, Minister of Agriculture, extending to December 31, 1946 the revised Memorandum of Agreement dated May 19, 1943,<sup>2</sup> which concerned the establishment of an Inter-American Cooperative Food Production Service in Peru.

On December 4, 1946 there was signed in Lima by Colonel Arthur R. Harris and His Excellency Luis Rose Ugarte, Minister of Agriculture of Peru, a Memorandum of Agreement in English and Spanish, copies of which are attached. By virtue of this instrument the Agreement under reference is further extended until June 30, 1948.

If Your Excellency agrees, this note together with your reply indicating the approval of the Government of Peru will be considered as constituting an agreement between our two Governments on the subject. It is understood that this Agreement shall be effective as of January 1, 1947 and that it shall continue in force until June 30, 1948.

<sup>1</sup> TIAS 1647, *ante*, p. 1224.

<sup>2</sup> EAS 385, *ante*, p. 1160.

I avail myself of this occasion to extend to Your Excellency the renewed assurance of my highest and most distinguished consideration.

PRENTICE COOPER

His Excellency

Dr. ENRIQUE GARCÍA SAYÁN,  
*Minister for Foreign Affairs,*  
*Lima.*

MEMORANDUM OF AGREEMENT

WHEREAS the Cooperative Program of Food Production between the Republic of Peru, acting through the Minister of Agriculture of the Republic, and the Government of the United States of America, acting through the Institute of Inter-American Affairs (hereinafter called the Institute), covered by the Memorandum of Agreement of May 19, 1943 has contributed to the development of agriculture in Peru; WHEREAS the Government of Peru and the Government of the United States of America wish to derive the maximum benefit from the work performed to date under the basic agreement; WHEREAS the Government of Peru considers the Agreement to be indispensable to the economy and welfare of the country in the light of the acute shortage of essential commodities; WHEREAS the Republic of Peru believes that termination of the Agreement at this time might jeopardize the improvement of the basic economy of the country; WHEREAS the Government of the United States of America recognizes the benefits of the program to the people of the Republic of Peru; and WHEREAS the Government of the United States of America and that of the Republic of Peru consistent with the declaration of Mexico have expressed their adherence to the principle that economic cooperation is essential to the common prosperity of the American nations; and whereas the Government of Peru has requested that the agreement herein above mentioned be extended until June 30, 1948:

The Republic of Peru, acting through the Minister of Agriculture of the Republic of Peru, and the Government of the United States of America, acting through the Institute of Inter-American Affairs, a corporate instrumentality of that Government (hereinafter called the Institute) hereby agree to extend as hereinafter set forth the Cooperative Program of Food Production provided for in the Memorandum of Agreement dated May 19, 1943 entered into by the parties hereto as extended by the agreements of June 1, 1944<sup>3</sup> and June 8, 1945.<sup>4</sup>

1. The cooperative program of food production shall continue to be carried out through the Servicio Cooperativo Inter-Americano de Produccion de Alimentos (hereinafter called the "SCIPA"), which was created by the

<sup>3</sup> EAS 433, *ante*, p. 1199.

<sup>4</sup> TIAS 1647, *ante*, p. 1224.

Government of Peru in accordance with the Memorandum of Agreement of May 19, 1943 and continued by the Agreements of June 1, 1944 and June 8, 1945 referred to above.

2. The fields of activity which the programs of the SCIPA may embrace, as set forth in Article 3 of the Memorandum of Agreement, dated May 19, 1943, and as amended in the later Memoranda of Agreement mentioned herein, are hereby modified and restated as follows: The SCIPA will continue to develop programs to increase the production, processing and distribution of foodstuffs of vegetable and animal origin of primary necessity, which programs may include, without being limited to, the following items:

(a) technical assistance in the fields of production, processing, storage and distribution of food products of animal and vegetable origin.

(b) the study of the economic problems of production, processing, and distribution of foodstuffs, and the preparation of reports and studies destined to provide information essential to planning adjustments in the production of crops to domestic consumption requirements.

(c) the development of new acreage, including agricultural colonization, and of plans for soil conservation; soil surveys and the rehabilitation of existing irrigation facilities; aid in new irrigation facilities and drainage.

(d) the supply of means, tools, equipment, insecticides, seeds, livestock, and other materials, and of professional and technical services to agriculturists.

(e) the development of a country wide agricultural extension service to improve production of food and to promote the agricultural industry generally.

(f) technical studies and related work in the fields of nutrition, diet, and home economics, and to promote improved nutritional and general home economics practices through an organized extension service.

(g) special assistance to inadequately financed operators of small farms, including the providing of equipment for hire at minimum prices, the making of "loans in kind" during periods of special emergency, etc.

(h) the making available to the Government of Peru and the Government of the United States of America of technical and scientific information and discoveries of interest to agriculturists in either country and the promoting of scientific studies in Peruvian agricultural economy as requested by and in cooperation with either government.

3. The provisions of Article 4 of the Memorandum of Agreement of May 19, 1943 are considered to have been fulfilled by the contribution of US\$162,976.77 (S/.1,056,904.35) by the Institute and by the contribution of S/. 1,056,904.35 (US \$162,976.77) by the Republic of Peru. The provisions of Article 3 of the extended Memorandum of Agreement, signed June 1, 1944, are considered to have been fulfilled as the result of contributions amounting to US\$150,000 (S/.972,750) by the Institute and S/.1,945,500

(US \$300,000) by the Republic of Peru. The provisions of Article 3 of the extended Memorandum of Agreement, dated June 8, 1945, are considered to have been fulfilled as the result of contributions amounting to US \$75,-000.00 (S/. 486,375) by the Institute paid by November 1, 1946 and of the amount of S/. 972,750.00 (US \$150,000) contributed by the Republic of Peru by November 1, 1946.

4. The cooperative food production program shall be financed by the parties during the extended period comprehended by this Agreement, as follows:

A. The Institute shall deposit to the account of the SCIPA the sum of Seventy-five Thousand (\$75,000.00) Dollars (being the equivalent of S/. 486,375 (Peruvian Soles) at the conversion rate of S/. 6.485 per U.S. dollar) on the following dates and in the following amounts:

	<i>Dollars</i>
January 1, 1947	4, 200. 00
February 1, 1947	4, 200. 00
March 1, 1947	4, 200. 00
April 1, 1947	4, 200. 00
May 1, 1947	4, 200. 00
June 1, 1947	4, 200. 00
July 1, 1947	4, 200. 00
August 1, 1947	4, 200. 00
September 1, 1947	4, 200. 00
October 1, 1947	4, 200. 00
November 1, 1947	4, 200. 00
December 1, 1947	4, 200. 00
January 1, 1948	4, 200. 00
February 1, 1948	4, 200. 00
March 1, 1948	4, 200. 00
April 1, 1948	4, 200. 00
May 1, 1948	4, 200. 00
June 1, 1948	3, 600. 00

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US \$75, 000. 00

B. In view of the fact that many purchases of materials, supplies and equipment and other disbursements relating to the execution of the program will be made in the United States of America, the Institute may withhold from the deposits called for by subsection A of Article 4 the estimated amounts deemed to be necessary to pay for such purchase and disbursements. Any funds so withheld by the Institute for such purposes shall be considered as if deposited under the terms of subsection A hereof but, if they are not expended or obligated for such purposes, they shall be deposited to the order of the SCIPA at any time upon the mutual agreement of the Minister of Agriculture and the Chief of the Food Supply Mission of the Institute in Peru.

C. In addition to the contribution of the Institute mentioned in subsection A hereof, the Institute will make available during the period of this extension for the cooperative program the funds necessary to pay the salaries, living expenses, travel and transportation costs and other administrative

expenses of the members of the Food Supply Mission of the Institute in Peru. It is understood that this sum will not exceed Two Hundred and Twenty-five Thousand (\$225,000.00) Dollars. These funds will not be deposited to the account of the SCIPA but will be administered by the Chief of the Food Supply Mission of the Institute in Peru for the purposes stated and in the interest of the general cooperative program of food production and agricultural development in Peru.

D. The Republic of Peru shall deposit to the account of the SCIPA the equivalent in Peruvian currency of Four Hundred and Fifty Thousand (\$450,000) Dollars, namely, the sum of Two Million, Nine Hundred and Eighteen Thousand, Two Hundred and Fifty (S/. 2,918,250) Soles at the conversion rate of S/. 6.485 per U.S. Dollar, on the following dates and in the following amounts:

	<i>Soles</i>	<i>Dollars</i>
January 1, 1947	162, 125. 00	25, 000. 00
February 1, 1947	162, 125. 00	25, 000. 00
March 1, 1947	162, 125. 00	25, 000. 00
April 1, 1947	162, 125. 00	25, 000. 00
May 1, 1947	162, 125. 00	25, 000. 00
June 1, 1947	162, 125. 00	25, 000. 00
July 1, 1947	162, 125. 00	25, 000. 00
August 1, 1947	162, 125. 00	25, 000. 00
September 1, 1947	162, 125. 00	25, 000. 00
October 1, 1947	162, 125. 00	25, 000. 00
November 1, 1947	162, 125. 00	25, 000. 00
December 1, 1947	162, 125. 00	25, 000. 00
January 1, 1948	162, 125. 00	25, 000. 00
February 1, 1948	162, 125. 00	25, 000. 00
March 1, 1948	162, 125. 00	25, 000. 00
April 1, 1948	162, 125. 00	25, 000. 00
May 1, 1948	162, 125. 00	25, 000. 00
June 1, 1948	162, 125. 00	25, 000. 00

S/. 2, 918, 250. 00    US \$450, 000. 00

E. The parties hereto, by written agreement of the Minister of Agriculture and the Chief of the Food Supply Mission of the Institute, may amend the schedules for making the deposits provided for in Article 4, subsection A and D, and agree to make the deposits as required by the needs of the program.

F. By mutual agreement between the Minister of Agriculture and the Chief of the Food Supply Mission of the Institute in Peru funds of the SCIPA may be used to reimburse or defray the salaries, living expenses, travel and transportation costs, and other expenses of such additional personnel of the Food Supply Mission of the Institute in Peru as the parties mentioned may agree are necessary to be employed, in addition to the employees referred to under subsection C above. Such funds may be contributed or granted for such purposes by the SCIPA to the Institute or to any other organization, but in every case the Minister of Agriculture and the Chief of the Food Supply Mission of the Institute in Peru will enter into a

written project agreement setting forth the scope and the other necessary terms of such contributions or grants.

5. Article 7 of the Memorandum of Agreement signed June 8, 1945, is hereby amended to read: Any income accruing to the account of SCIPA as the result of normal project operations, or through the liquidation of projects, or from whatever source, will continue to be available to SCIPA for the promotion of those projects from which the income has accrued or, by mutual agreement between the Minister of Agriculture, the Chief of the Food Supply Mission of the Institute and the Director of SCIPA, may be apportioned to other projects of SCIPA. It is further agreed that any balance of the funds and property of SCIPA, unexpended or unused and unobligated at the termination of this agreement, will be disposed of by agreement between the Minister of Agriculture and the Chief of the Food Supply Mission of the Institute, having in mind the proportional contributions of each of the parties.

6. The funds contributed in accordance with this Memorandum of Agreement are to be employed only for maintaining or extending projects of the nature contemplated by the original Memorandum of Agreement, or as subsequently modified, or as further modified by Article 2 of this agreement, which projects shall be embodied in written project agreements and shall be signed by the Minister of Agriculture, the Chief of the Food Supply Mission of the Institute in Peru and the Director of SCIPA.

7. Article 9 of the original Memorandum of Agreement of May 19, 1943, is hereby amended to read: All rights and privileges which are enjoyed by official divisions of the Government of Peru and by the personnel and employees of the same, shall accrue to the SCIPA and to all its personnel and employees while performing their official duties. The members of the Food Supply Mission of the Institute will not be obligated to pay to Peru any direct tax or contribution for purposes of Social Security or retirement on salaries or income when they are subject to such taxes or contributions in the United States of America. The Government of Peru shall extend free entry or shall pay the corresponding charges for materiel and equipment necessary for the professional use of personnel of the Mission. In like manner the Government of Peru shall either grant free entry or pay corresponding duties on personal effects of Mission members according to the limitations covering members of the Diplomatic Corps accredited to the Government of Peru; for the purposes of this agreement Mission members shall be considered as having the same free entry privileges as First Secretaries in the Diplomatic Service. Duties exceeding these limits shall be paid by the personnel concerned. The customs duties paid by the SCIPA for imports of equipment, supplies and material destined for the use of the food supply program will be reimbursed to the SCIPA by the Minister of Finance, as shown by respective Customs House documents and receipts. In the same

manner, the customs duties paid by the Institute for imports of equipment, supplies and material destined for the use of the Food Supply Mission of the Institute will be reimbursed to the Institute by the Minister of Finance as shown by respective Customs House documents and receipts.

8. The Chief of the Food Supply Mission of the Institute in Peru shall continue as Director of SCIPA throughout the life of this agreement. In order that Peruvian personnel will be prepared to assume, at the termination of this agreement, or earlier where circumstances warrant, the responsibilities of the Food Mission personnel for the administrative and technical direction of the program, definite provision shall be made during the life of this agreement for the training of competent Peruvian personnel for all positions of administrative responsibility in the SCIPA organization.

9. The Memoranda of Agreement of May 19, 1943, June 1, 1944, and June 8, 1945, shall remain in full force and effect for the purpose of extending the cooperative food production program through June 30, 1948, except as they are modified by or are inconsistent with the present agreement, and the provisions contained therein will apply during the life of this agreement. This Memorandum of Agreement shall become effective upon an exchange of notes between the two Governments.

In witness whereof, the parties hereto have caused this agreement to be executed by their duly authorized representatives, in duplicate, in the English and Spanish languages, in Lima, Peru, this 4th day of December, 1946.

Republic of Peru:

By     LUIS ROSE U.  
          *Minister of Agriculture*

The Institute of Inter-American Affairs:

By     ARTHUR R. HARRIS

*The Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

MINISTRY OF FOREIGN RELATIONS  
AND WORSHIP

Number: (H)-6-Y/1

LIMA, *January 29, 1947*

MR. AMBASSADOR:

I have the honor to reply to Your Excellency's courteous note No. 278 of December 4 last, in which you are good enough to inform me that on that date the Memorandum of Agreement, the text of which is transcribed hereinafter, was signed at Lima by Colonel Arthur R. Harris and Mr. Luis Rose Ugarte, Minister of Agriculture:

[For text of memorandum, see p. 1244.]

In reply, I must inform Your Excellency that, by Supreme Resolution No. 1219, issued by the Ministry of Agriculture on December 30 last, the Memorandum of Agreement transcribed in this note was approved.

Accordingly, this note, together with that of Your Excellency, concludes the above-mentioned Agreement between the Governments of Peru and the United States of America, which Agreement will expire on June 30, 1948.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

E. GARCÍA SAYÁN

His Excellency

PRENTICE COOPER,

*Ambassador Extraordinary and Plenipotentiary of the  
United States of America.  
City.*